ELBIT SYSTEMS' SUBSIDIARY ORTEK Ltd. – HOMELAND DEFENSE WINS A CONTRACT TO SUPPLY ELECTRONIC DETERRENCE SYSTEM IN ISRAEL

- **First stage of the contract valued at NIS 20 million ($4.3 million) and is planned to be deployed during 2006.**

- **The contract includes an option to significantly expand the project.**

Haifa, Israel, March 1 , 2006 – Elbit Systems Ltd. (NASDAQ: ESLT) announced today that its subsidiary ORTEK Ltd. - HOMELAND DEFENSE (Ortek) has been selected by Israel's Ministry of Defense (IMOD) to deploy a "smart" electronic deterrence system. The first phase of the contract is valued at approximately NIS 20 million (approximately $4.3 million). The contract includes an option to significantly expand the system, which would bring the contract to a total value of approximately NIS 80 million (approximately $17 million).

The first phase of this project includes an electronic deterrence system that will detect and assist in preventing crossing attempts 24-hours a day, and in all weather conditions. The system is comprised of advanced sensors, an electronic fence, communications and computerized command and control posts. The deterrence system's infrastructure is based on various detection technologies enabling early detection of low threshold false alarm incidences. The sensors' system will transmit online data to the command and control center providing an overall picture of the sector as well as warnings for incursion attempts.

Eli Venezia, Managing Director of Ortek said: "This is another significant achievement for Ortek that follows a previous contract to supply an electronic warning system for the Jerusalem detour route. We are proud to have been selected by the IMOD to provide one of the most advanced security systems in Israel and to contribute to the electronic fence system project led by the Security Fence Administration".

Joseph Ackerman President and CEO of Elbit Systems said: "Wining this contract in addition to the contract for deployment of a Peripheral Coastal Security system in the Far East, reported about last month, positions Ortek, of the Elbit Systems Group, as a major supplier for Homeland Defense both in Israel and worldwide. The electronic deterrence system is key in providing customers in Israel and around the globe with comprehensive solutions for peripheral defense. We believe that wining this project will enable us to secure additional projects in the near future."

Ortek Ltd. is the homeland security house of the Elbit Systems Group. Ortek integrates in its comprehensive solutions the range of existing capabilities of the Group, including products, comprehensive concepts, extensive experience and involvement in major projects both in Israel and abroad. Ortek develops and manufactures innovative

electro-optical systems for surveillance and tracking, optical fiber technology for security, video communication, supervision and control systems as well as image processing and smart systems for electronic fences. These abilities allow Ortek to offer its customers comprehensive solutions for peripheral defense of land and sea borders as well as security of strategic facilities. Approximately 60% of Ortek's sales are to international customers.

Among Ortek's many projects of peripheral defense in Israel are: defense systems for Israel's land and sea borders, peripheral security systems of air force bases, major sections of the border security fence, Jerusalem's detour route and others.

About Elbit Systems

Elbit Systems Ltd. is an international defense electronics company engaged in a wide range of defense-related programs throughout the world. The Elbit Systems Group, which includes the company and its subsidiaries, operates in the areas of aerospace, land and naval systems, command, control, communications, computers, intelligence, surveillance and reconnaissance ("C4ISR"), advanced electro-optic and space technologies, EW suites, airborne warning systems, ELINT systems, data links and military communications systems and equipment. The Group also focuses on the upgrading of existing military platforms and developing new technologies for defense and homeland security applications.

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